

HOUSE BILL NO. 333

INTRODUCED BY P. NOONAN, VILLA, MENDENHALL, SESSO, HOLLENBAUGH, HINER, A. NOONAN,
KEANE, ANKNEY, MCCLAFFERTY, EBINGER, INGRAHAM, MENAHAN, DE. BARRETT, GALLUS,
WELBORN

A BILL FOR AN ACT ENTITLED: "AN ACT ~~REQUIRING~~ ALLOWING THE BUREAU OF MINES AND GEOLOGY
TO CONDUCT GEOTHERMAL RESEARCH; GRANTING UTILITIES NEAR GEOTHERMAL SITES THE ABILITY
TO PARTICIPATE IN RESEARCH AND DEVELOPMENT OF THE SITE; ~~APPROPRIATING MONEY FOR~~
~~GEOTHERMAL RESEARCH~~; AND PROVIDING AN EFFECTIVE DATE ~~AND A TERMINATION DATE.~~"

WHEREAS, Montana has unique geological features that include significant geothermal resources; and
WHEREAS, other states in the region are actively exploring and developing these resources for energy
production purposes; and

WHEREAS, existing data and analyses of these resources is now largely outdated, and advances in
technology, increased energy prices, and increased interest in low-carbon energy sources has increased interest
by electric utilities and independent power producers in the state's geothermal resources.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Geothermal research.** (1) Subject to subsection (2), ~~during the 2014~~
~~biennium~~, the Montana bureau of mines and geology ~~shall~~ MAY conduct geothermal research that:

- (a) characterizes the geothermal resource base in Montana;
- (b) tests high-temperature and high-pressure drilling technologies benefiting geothermal well
construction; and
- (c) determines reservoir characterization, monitoring, and modeling necessary for commercial application
in Montana.

(2) If the research is conducted on private property, the bureau must have written agreements with:

- (a) the surface property owner and any owners of the geothermal resource for access and use of the
site for research purposes; and
- (b) subject to subsections (3) and (4), the utility, as defined in 69-5-102, with a service area nearest the

research site if the utility intends to commercially develop the site.

(3) If the utility with a service area nearest the research site intends to develop the site for future commercial use, the utility shall:

(a) contribute, at a minimum, 25% of the research costs as determined by the bureau for research at the site; and

(b) have an agreement in place with the surface property owner and any owners of the geothermal resource where the research site is located for future development of the geothermal resource.

(4) If the utility with a service area nearest the research site does not intend to develop the site for commercial use, the utility with a service area next nearest the site may enter into a written agreement pursuant to subsection (2)(b). If a utility does not intend to develop the site for future commercial use, the agreement pursuant to subsection (2)(b) is not required.

(5) In determining the utility with a service area nearest the site, all measurements must be made on the shortest vector that can be drawn from the line nearest the service area to the nearest portion of the geothermal site.

~~By August 30, 2010, the bureau shall submit a report to the energy and telecommunications interim committee. The report, based on research conducted pursuant to subsection (1), must include:~~

(6) PRIOR TO SEPTEMBER 1 OF EACH EVEN-NUMBERED YEAR, THE BUREAU SHALL UPDATE THE ENERGY AND TELECOMMUNICATIONS INTERIM COMMITTEE ON RESEARCH CONDUCTED PURSUANT TO THIS SECTION AND FUNDING RECEIVED PURSUANT TO [SECTION 2].

(a) a ranking of the top five locations in Montana that offer the best opportunity for near-term development of geothermal energy; and

(b) an estimate of the cost associated with development of each site.

~~NEW SECTION. Section 2. Geothermal research account. (1) There is a geothermal research account within the special revenue fund established in 17-2-102.~~

~~(2) The Montana bureau of mines and geology is authorized to expend amounts from the account in accordance with a legislative appropriation necessary to carry out the purposes of [section 1].~~

~~(3) There must be deposited in the account:~~

~~(a) contributions by utilities for geothermal research; and~~

~~(b) all money received by the bureau in the form of gifts, grants, reimbursements, or appropriations from~~

any source intended to be used for geothermal research.

NEW SECTION. SECTION 2. AUTHORITY TO ACCEPT GIFTS, GRANTS, CONTRIBUTIONS, AND REIMBURSEMENTS.

THE MONTANA BUREAU OF MINES AND GEOLOGY MAY ACCEPT GIFTS, GRANTS, CONTRIBUTIONS PURSUANT TO [SECTION 1(3)], AND REIMBURSEMENTS TO BE USED FOR THE PURPOSES OF [SECTION 1].

~~NEW SECTION. Section 3. Appropriation. (1) There is appropriated \$3 million from the general fund to the Montana bureau of mines and geology for the 2011 biennium to research and develop engineered geothermal systems techniques for commercial application in Montana.~~

~~(2) At the beginning of the fiscal year beginning July 1, 2009, the money must be deposited in the geothermal research account provided for in [section 2].~~

NEW SECTION. Section 3. Codification instruction. [Sections 1 and 2] are intended to be codified as an integral part of Title 90, and the provisions of Title 90 apply to [sections 1 and 2].

NEW SECTION. Section 4. Effective date. [This act] is effective July 1, 2009.

~~NEW SECTION. Section 5. Termination. [Sections 1 and 2] terminate September 30, 2012.~~

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